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September 10, 2012

VIA ELECTRONIC AND OVERNIGHT MAIL

Michael Mintzer
Assistant Regional Counsel
Office of Regional Counsel
United States Environmental Protection Agency
290 Broadway
New York, NY 10007-1866

**Re: Newtown Creek Superfund Site – Third Supplemental Response
to Request for Information Pursuant to 42 U.S.C. § 9604(e)**

Dear Michael:

Enclosed please find documents bates numbered NC04782 to NC04808 to be included as part of the Third Supplemental Response ("Response") of Waste Management of New York, LLC ("WMNY") to EPA's October 25, 2011 104(e) Request for Information ("RFI"), along with one CD containing documents referenced herein.

Please contact me if you have any questions.

Very truly yours,

Sharon Oras Morgan

Enclosures

OPERATING AGREEMENT

This Agreement is made on December 22, 2008 effective as of November 15, 2008 by and between WASTE MANAGEMENT OF NEW YORK, LLC. a Delaware limited liability company, with its principal place of business located at 123 Varick Avenue, Brooklyn, New York 11237, (hereinafter referred to as "WMNY") and Reliable Wood Products., a New Jersey corporation, with its principal place of business located at 1 Caven Point Avenue, Jersey City, New Jersey 07305, (hereinafter referred to as "Reliable").

WHEREAS, WMNY owns and operates a wood recycling facility located at 485 Scott Avenue, Brooklyn, New York (the "Facility"); and

WHEREAS, WMNY wishes to hire Reliable to operate the Facility, and Reliable wishes to become the operator of the Facility, on the terms and conditions of this Agreement; and

WHEREAS, WMNY wishes to lease certain wood processing equipment to Reliable, and Reliable wishes to lease such equipment, on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, WMNY and Reliable hereby agree as follows:

SECTION 1.0. HIRING, DUTIES AND PAYMENTS

1.1 Hiring and Duties - (A) Commencing as of the effective date of this Agreement, WMNY hereby hires Reliable to operate the Facility, and Reliable accepts such hiring, on the terms and conditions of this Agreement. Except as provided hereinafter, Reliable shall manage at its expense all operations at the Facility including, without limitation, storage and grinding of wood material and handling, storage and disposal or sale of wood chips derived therefrom. Reliable shall provide all equipment, supervision, labor and materials (other than wood material) necessary to perform such duties. Reliable shall provide personnel and other resources to process at least 75 tons-of wood materials per day.

(B)

REDACTED

Reliable

shall be solely responsible for all sales taxes, costs and liabilities related to such sales. Reliable shall not store more than 3,000 cubic yards of wood chips (fully processed) at the Facility. Reliable shall pay all transportation, taxes, tipping fees and other costs for disposal of wood chips and other materials that are not sold and shall retain records of the contractors and destinations thereof.

(C) Reliable shall promptly process all wood material accepted at the Facility and keep the Facility free of litter at all times.

(D) Concurrently with signing this Agreement, Reliable shall obtain and deliver to WMNY a Performance and Payment Bond in favor of WMNY issued by a surety company licensed to do business in New York and acceptable to WMNY. Such bond shall be in the amount of REDACTED for the term of this Agreement, including any extensions, and be in form and substance satisfactory to WMNY.

1.2 Receipt of Wood Materials. (A) Notwithstanding the provisions of Section 1.1, WMNY shall have the exclusive right to make and manage all arrangements for the supply and delivery of wood material to the Facility and to determine, invoice and receive payment of all tipping fees and other amounts paid by persons transporting, or arranging transportation of wood material to the Facility. WMNY shall assign a representative to control the gate where deliveries are received and supervise the weighing and unloading of wood material.

(B) WMNY will cause wood material to be delivered and unloaded at the Facility on a daily basis. Reliable agrees to operate the Facility from 6:00 a.m. to 6:00 p.m. Monday thru Friday and from 6:00 am to 2:00 p.m. on Saturday. Reliable has the option to operate 24 hours per day Monday thru Friday. WMNY shall have priority over all other parties in connection with all deliveries, including weighing and unloading of materials.

(C) When wood material is delivered to the Facility; Reliable shall upon arrival inspect its conformity to the minimum quality standards in Exhibit A. If Reliable shall find that any wood material fails to meet the minimum quality standards, it shall immediately notify WMNY's representative who shall promptly inspect the wood material. If the wood material fails to meet the minimum quality standards, Reliable shall be entitled to reject it. Title to wood material shall pass to Reliable upon its acceptance and Reliable shall thereafter be fully responsible for it.

(D) WMNY will provide Reliable with office space within an on-site trailer and other incidental services needed to perform its duties. Reliable will be responsible for all utility costs, maintenance, and/or damages caused by Reliable for this assigned space.

1.3 Payments.

(A) (i)

REDACTED

REDACTED

1.4 Compliance with Laws and Regulations. Reliable and its employees shall abide by all applicable federal, state and local laws and regulations relating to its operation of the Facility. All safety related incidents or injuries shall be reported immediately to WMNY verbally and in writing within 24 hours of the occurrence of such incident.

Reliable will be responsible for implementing an OSHA approved health and safety program that will be in compliance with WMNY's health and safety programs and will include the implementation of a personal protection equipment (PPE) program. At a minimum all Reliable employees, customers and subcontractor will wear OSHA

approved steel toe boots, high visibility safety vests, safety glasses, hard hats while on the facility property.

1.5 Compliance with Permits and Authorizations.

(A) Copies of WMNY's permits issued by the New York City Department of Sanitation ("NYCDOS") and the New York State Department of Environmental Conservation ("NYSDEC") are attached as Exhibit C. Reliable has read the permits and agrees to abide by the terms and conditions of such permits as they apply to its operations at the Facility.

Reliable agrees to process and chip all trees, limbs, branches or any other green material delivered to the facility prior to off-site transport. Processing of this material will be done in accordance with the New York State Department of Agriculture (NYSDOA) regulations (Part 139 of the Agriculture and Markets Law – Control of the Asian Longhorned Beetle). A copy of the NYSDOA compliance agreement is attached as Exhibit C.

(B) Reliable agrees to operate and maintain the wood processing facility in accordance with the NYSDEC approved engineering and operation and maintenance plan and approved site plan. (Site Plan provided as Exhibit D) A complete copy of all of these documents will be available to Reliable at the facility during all facility operating hours.

(C) Reliable is permitted to store wood material at the facility in accordance with the following maximum limitations: 500 cubic yards large tree stumps and oversize material, 2100 cubic yards unprocessed wood, and 2750 cubic yards processed wood chip material.

(D) Reliable shall also comply with the terms and conditions of all authorizations issued by the NYSDEC authorizing WMNY to furnish processed wood material to incinerators or other disposal facilities, recyclers, beneficial users or other persons for disposal or commercial use. Before furnishing processed wood material to any new disposal facilities, recyclers, beneficial users or others, Reliable shall apply for and obtain proper authorizations from the NYSDEC and shall comply with the terms and conditions therein.

1.6 Maintenance and Repairs: Alterations.

(A) Reliable shall be solely and exclusively responsible for maintenance and Repair of the Facility, including the processing equipment, whether or not leased by WMNY to Reliable, and the Concrete Pad, during the term of this agreement. Reliable shall keep the Facilities in good condition and shall surrender the Facility upon termination of this Agreement in at least as good condition as it was in on October 1, 2004, normal wear and tear accepted.

(B) Reliable shall not make any alterations of the Facility without the prior written consent of WMNY.

SECTION 2.0. TERM OF AGREEMENT

2.1 Term. This Agreement shall be for a term commencing on November 15, 2008 and continuing for a period of three years (the Initial Term").

2.2 Extensions. After the expiration of the Initial Term, upon 30 days prior written notice to WMNY, Reliable shall have the option to extend this Agreement twice, each for one year, on the same terms and conditions as this Agreement, provided that WMNY in its sole discretion, has not given notification in writing, no less than 45 days and no more than 90 days before the end of the original term of this Agreement, or any extension year, that it will not agree to an extension.

SECTION 3.0. (this section intentionally left blank)

SECTION 4.0. EMPLOYEES

4.1 Both parties expressly agree that each party shall be solely responsible for its own employees including, without limitation, hiring, working hours and conditions discharge, payroll, benefits, severance or pension payments due or accrued, vacation time, worker's compensation, unemployment insurance, tax withholding, and any and all other personnel matters and costs, and that neither party shall be responsible for the employees of the other including, without limitations, severance, vacation, accrued leave, benefits, or pension plan benefits.

SECTION 5.0. LICENSES. INSURANCE. REGULATIONS

5.1 WMNY represents and warrants that, to its knowledge, it presently holds all material licenses, permits, and permissions of any kind or nature whatsoever required to operate the Facility, whether federal, state or local, and that all said licenses, permits, and permissions are current, valid, and are not subject to any adverse action including, without limitation, regulatory, disciplinary or legal actions, notices of violations, or other deficiency notices, or orders at the time of execution of this Agreement.

5.2 At all times after Reliable first takes possession of the Premises, Reliable shall maintain, at its own expense and fully paid:

- (a) Comprehensive general liability insurance, including insurance against assumed or contractual liability, products liability, terrorist and criminal acts, kidnapping, and any other liability arising out of the ownership, operation, use, occupancy or maintenance of the Facility and all areas appurtenant thereto (including coverage for all criminal acts, violence, vandalism, mayhem, terrorist acts, civil disobedience and unrest, regardless of by whom perpetrated), to afford protection with limits, for each occurrence, of not less than one million dollars (\$1,000,000.00) combined single limit with respect to personal injury, death, and property damage.

- (b) All-risk casualty insurance, including theft coverage, written at replacement cost value with replacement cost endorsement, covering all of Reliable's personal property and equipment on the premises and all personal property and equipment leased or purchased hereunder.
- (c) Comprehensive boiler and machinery equipment coverage
- (d) Comprehensive automobile liability coverage covering the operation of all automobiles used in connection with the performance of this agreement

REDACTED

- (e) Worker's compensation or coverage required by law, and

- (f)

REDACTED

5.3 The insurers writing the insurance that Reliable is required to carry and maintain pursuant to this Section, as well as the form of such insurance, shall at all times be subject to WMNY's reasonable approval and such insurers shall be licensed to do business in the State of New York. The comprehensive general liability, all-risk casualty, and environmental impairment insurance policies evidencing such coverage shall be primary and non-contributory, shall contain a broad form endorsement naming WMNY and its employees, directors and shareholders as additional insured persons, and a provision by which the insurer agrees that such policy shall not be canceled, terminated, materially changed or allowed to lapse without at least thirty (30) days advance written notice to WMNY. None of the insurance which Reliable is required to carry and maintain pursuant to this Section shall contain any self-insured retention or deductible provisions

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. If

Reliable shall fail to perform any of its obligations under this Section, WMNY may perform them and Reliable shall reimburse WMNY's cost immediately upon demand. Upon WMNY's written approval, Reliable may satisfy its insurance obligations by use of blanket or umbrella policies, provided that such policies specifically name the business at the Facility. Reliable shall provide to WMNY upon its request from time to time Certificates evidencing that all such insurance is in full force and effect.

5.4 Reliable hereby agrees to defend, indemnify and hold harmless WMNY from and against all claims for damages, losses, costs, expenses and liabilities of whatever nature arising from (1) Any breach or default under this Agreement by Reliable; (ii) any work done, in, to or about the Facility by or on behalf of Reliable; (iii) any act, omission to act or negligence on the part of Reliable, its assigns, contractors, servants, employees, invitees or licensees or (iv) any accident, injury or damage whatsoever caused to any person or property occurring during the term of this Agreement in, on or about the

Facility unless resulting from any willful act or omission on the part of WMNY or anyone claiming through or under WMNY and without any negligence, willful act or omission of the part of Reliable.

SECTION 6.0. TERMINATION FOR DEFAULT

6.1 If either of the parties fails to perform its obligations under this Agreement, and does not cure such failure within 20 days after written notice by the non-breaching party stating the nature and character of the alleged failure, then the non-breaching party may, at its option, and without waiving or in any manner affecting any of its rights against the other party, terminate this Agreement. However, if Reliable shall fail to comply with applicable laws, regulations or the permits for the Facility, which has an immediate and serious effect on safety, human health or the environment, then WMNY shall be entitled to terminate this Agreement immediately by written notice to Reliable. Failure of a non-breaching party at any time to exercise its rights under this Section shall not prevent it from exercising such rights at any future time.

6.2 Either party shall also be entitled to terminate this Agreement if the other party shall (1) file a voluntary bankruptcy petition, make an assignment for benefit of creditors or commence any other liquidation or insolvency proceeding; (2) become the subject of an involuntary bankruptcy petition, asset seizure or other creditor's proceedings and fail to cause them to be discharged within 30 days; (3) cease operations at the Facility; (4) sell or transfer substantially all of its assets; (5) merge with or into any other corporation, or (6) undergo a change of control in which a majority of board of directors are changed or a majority of its outstanding voting stock is sold or transferred. Either party planning a transaction contemplated by subsections (4), (5) or (6) may provide written notice to the other party describing the transaction in reasonable detail and requesting a written consent to such transaction. If the other party grants such consent, it shall not be entitled to terminate the Agreement based solely on the fact that such transaction is thereafter consummated in the manner described in the notice.

SECTION 7.0. SUBSEQUENT ACTS OF GOVERNMENT

7.1 If there is a material change in any law, regulation, order or permit governing the operation of the industry generally, or the Facility specifically, which materially impairs the ability of either party to continue to conduct business at the Facility, then the parties will commence good faith negotiations in order to determine what, if any, changes to this Agreement are necessary and appropriate including, without limitation, early termination of this Agreement if such change substantially decreases Reliable's ability to operate the Facility profitably. However, this Section shall not apply to enforcement actions taken by a government agency because of a failure by either party to comply with its obligations under this Agreement.

SECTION 8.0. CONFIDENTIAL INFORMATION

8.1 Both parties agree that from time to time in the course of conducting business at the Facility they may or will become privy to certain confidential information of the business of the other party. The parties agree that each party shall remain the sole and exclusive owner of such information including, without limitation, marketing and operating methods and agreements, customer and supplier lists, tipping fees, computer software, or any other methods of operation that could be considered proprietary information. Each party agrees to hold such information in strict confidentiality and not to disclose it to any third party or to use it for any purpose other than performance of this Agreement. However, such obligations shall not apply to any such information that the receiving party shows it knew or was generally available to the public before it was received from the other party or thereafter became generally available to the public other than through disclosure the receiving party.

SECTION 9.0. CHOICE OF LAW

9.1 This validity and the interpretation and enforcement of this Agreement shall be governed by the laws of the State of New York.

SECTION 11.0. COMPLETE AGREEMENT

10.1 This Agreement and its exhibits contain the entire understanding between the parties. There are no promises, terms, conditions, understandings, or obligations between the parties other than those contained herein. This Agreement and its exhibits supersede all previous communications, representations, or agreements, whether verbal or written, between the parties. No change or modification of any kind whatsoever to the Agreement and its exhibits shall be binding against either party unless such modification or change is in writing and signed by both parties.

SECTION 11.0. NO JOINT VENTURE

11.1 It is expressly understood and agreed that no joint venture, agency, employment, partnership or franchise in any way whatsoever is created by or between the parties. Neither party shall be responsible for any obligations or expenses whatsoever of the other, except as expressly agreed in this Agreement.

SECTION 12.0. FORCE MAJEURE

12.1 The parties to this Agreement shall be relieved of their obligations hereunder to the extent that performance is delayed or prevented by any cause reasonably beyond its control including, without limitation, acts of God or public enemies, war, civil disorder, fires, flood, explosion, labor disputes or strikes, or any delay or deficiency caused by electrical, telephone or other utility providers.

SECTION 13.0. SEVERABILITY

13.1 Any provision of this Agreement which may be determined by a court or other competent governmental authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions thereof, unless said prohibition or unenforceability materially alters the overall rights or obligations of either party.

SECTION 14.0. BINDING EFFECT

14.1 This Agreement shall be binding upon any and all successors in interest, holders, permitted assigns, purchasers, or transferees in any way or form whatsoever of the parties hereto including, without limitation Parent / subsidiary corporations, hereafter acquired corporations or business entities of any kind whatsoever, associates, affiliates, or any businesses directly or indirectly related to the parties in the New York City area.

SECTION 15.0. NOTICES

15.1 Unless otherwise stated, notice given or required under this Agreement must be in writing and shall be deemed delivered (i) upon hand delivery to either Party at the addresses listed below, or (ii) by deposit of certified United States mail, to:

If to WMNY: John Sullivan
Senior District Manager
Waste Management of New York, LLC
123 Varick Avenue
Brooklyn, New York 11237

With a copy to: Michael Keszler, Esq., Group Counsel
Waste Management
448 Lincoln Highway
Fairless Hills, Pennsylvania 19030

If to Reliable: Nicholas Vene
Reliable Wood Products, LLC
1 Caven Point Avenue
Jersey City, New Jersey 07008

With a copy to: Leonard Pirello
1 Caven Point Road
Jersey City, NJ 07008

SECTION 16.0. COUNTERPARTS

16.1 This Agreement may be executed in two or more counterparts, of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

SECTION 17.0

17.1 Neither party shall be entitled to assign or transfer this Agreement or any of its rights or obligations hereunder to any third party without the written consent of the other party and any purported assignment or transfer shall be null and void.

SECTION 18.0. BINDING ARBITRATION

18.1 The parties agree that, if they are not able to settle any dispute which might arise under the terms and conditions of this Agreement, they will submit the matter to binding arbitration according to the rules and conditions of the American Arbitration Association. Each party shall propose one arbitrator. Thereafter, if the parties are unable to agree on either of these arbitrators, the two arbitrators shall choose a third arbitrator and such arbitrator shall hear the dispute. The decision of this arbitrator shall be final and binding on both parties and may be enforced, if necessary, by application to a court of appropriate jurisdiction.

WITNESS

**WASTE MANAGEMENT OF
NEW YORK, LLC**

By:

WITNESS

RELIABLE WOOD PRODUCTS, LLC

By:

Exhibit A

MINIMUM QUALITY STANDARDS

WMNY and Reliable acknowledge that the wood material delivered to the Facility is solid waste that is expected to have suffered deterioration and damage. Thus, wood material will be accepted unless it is seriously contaminated, likely to damage the processing equipment, or likely to cause a failure to comply with applicable laws, regulations or permit conditions.

The following kinds of wood material will not be accepted:

1. Wood material mixed with significant amounts of paper, putrescible waste, yard waste or other waste material.
2. Wood material containing or coated with paint creosote, pentachlorophenol, arsenic salts or other contaminants. Any other type of treated wood material.
3. Wood material with extensive decay or termite damage.
4. Wood material containing metal or with metal attachments that cannot readily be removed.

Exhibit B

FUEL ESCALATOR

See attached.

Exhibit C

PERMITS

New York City Department of Sanitation
Nonputrescible Solid Waste Transfer Station Permit
Issued November 14, 2007
Transfer Station Number 30
75 Thomas St., Brooklyn, NY

New York State Department of Environmental Conservation
Solid Waste Management Permit 2-6101-00026/00001
Issued July 5, 2001, modified November 23, 2004
485 Scott Ave., Brooklyn, NY

New York State Department of Agriculture and Markets
Asian Long Horned Beetle Compliance Agreement
Dated June 6, 2008
485 Scott Ave., Brooklyn, NY

Exhibit D

SITE PLAN

See attached.

OPERATING AGREEMENT

This Agreement is made on July 27, 1999 effective as of August 9, 1999 by and between WASTE MANAGEMENT OF NEW YORK, LLC., a Delaware limited liability company, with its principal place of business located at 123 Varick Avenue, Brooklyn, New York 11237, (hereinafter referred to as "WMNY") and A.B. Dauman Industries, Inc., a New Jersey corporation, with its principal place of business located at 33-37 Salt Meadow Road, Carteret, New Jersey 07008, (hereinafter referred to as "Dauman").

WHEREAS, WMNY owns and operates a wood recycling facility located at 232 Gzrdner Ave., Brooklyn, New York (the "Facility"); and

WHEREAS, WMNY wishes to hire Dauman to operate the Facility, and Dauman wishes to become the operator of the Facility, on the terms and conditions of this Agreement; and

WHEREAS, WMNY wishes to lease certain wood processing equipment to Dauman, and Dauman wishes to lease such equipment, on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises contained herein, WMNY and Dauman hereby agree as follows:

SECTION 1.0. HIRING, DUTIES AND PAYMENTS

1.1 Hiring and Duties - (A) Commencing as of the effective date of this Agreement, WMNY hereby hires Dauman to operate the Facility, and Dauman accepts such hiring, on the terms and conditions of this Agreement. Except as provided hereinafter, Dauman shall manage at its expense all operations at the Facility including, without limitation, storage and grinding of wood material and handling, storage and disposal or sale of wood chips derived therefrom. Dauman shall provide all equipment, supervision, labor and materials (other than wood material) necessary to perform such duties. Dauman shall provide personnel and other resources to process at least 75 tons of wood material per day.

(B)

REDACTED

Dauman shall be solely responsible for all sales taxes, costs and liabilities related to such sales. Dauman shall not store more than 5,000 cubic yards of wood chips (fully processed) at the Facility. Dauman shall pay all transportation, taxes, tipping fees and other costs for disposal of wood chips and

other materials that are not sold and shall retain records of the contractors and destinations thereof.

(C) Dauman shall promptly process all wood material accepted at the Facility and keep the Facility free of litter at all times.

(D) Concurrently with signing this Agreement, Dauman shall obtain and deliver to WMNY a performance and materialmen's and laborers payments bond in favor of WMNY issued by a surety company licensed to do business in New York and acceptable to WMNY. Such bond shall be in the amount of \$300,000 for the term of this Agreement and be in form and substance satisfactory to WMNY.

1.2 Receipt of Wood Materials. (A) Notwithstanding the provisions of Section 1.1, WMNY shall have the exclusive right to make and manage all arrangements for the supply and delivery of wood material to the Facility and to determine, invoice and receive payment of all tipping fees and other amounts paid by persons transporting, or arranging transportation of wood material to the Facility. WMNY shall assign a representative to control the gate where deliveries are received and supervise the weighing and unloading of wood material. Dauman shall provide to WMNY's representative office space, telephone and other incidental services needed to perform his duties.

(B) WMNY will cause wood material to be delivered and unloaded at the Facility on a daily basis. Dauman agrees to operate the Facility from 6:00 a.m. to 6:00 p.m. Monday thru Friday and from 6:00 am to 2:00 p.m. on Saturday. WMNY shall have priority over all other parties in connection with all deliveries, including weighing and unloading of materials.

(C) When wood material is delivered to the Facility, Dauman shall upon arrival inspect its conformity to the minimum quality standards in Exhibit A. If Dauman shall find that any wood material fails to meet the minimum quality standards, it shall immediately notify WMNY's representative who shall promptly inspect the wood material. If the wood material fails to meet the minimum quality standards, Dauman shall be entitled to reject it. Till to wood material shall pass to Dauman upon its acceptance and Dauman shall thereafter be fully responsible for it.

(D)

REDACTED

1.3 Payments.

(A)

REDACTED

(E) WMNY shall prepare and maintain a daily record of wood material delivered to and accepted at the Facility and shall furnish a copy of such record to Dauman by noon on the next business day. WMNY also shall provide to Dauman a monthly written report of the tons of wood material received and accepted at the Facility, listed by supplier and date of delivery. Upon reasonable prior written notice and during normal working hours, Dauman shall have the right to review WMNY's books and records to verify such tons accepted.

*

1.4 Compliance with Laws and Regulations. Dauman and its employees shall abide by all applicable federal, state and local laws and regulations relating to its operation of the Facility. All safety related incidents or injuries shall be promptly reported to WMNY verbally and in writing within 24 hours of the occurrence of such incident.

1.5 Compliance with Permits and Authorizations.

(A) Copies of WMNY's permits issued by the New York City Department of Sanitation ("NYCDOS") and the New York State Department of Environmental Conservation ("NYSDEC") are attached as Exhibit B. Dauman has read the permits and agrees to abide by the terms and conditions of such permits as they apply to its operations at the Facility.

(B) Dauman shall also comply with the terms and conditions of all authorizations issued by the NYSDEC authorizing WMNY to furnish processed wood material to incinerators or other disposal facilities, recyclers, beneficial users or other persons for disposal or commercial use. Before furnishing processed wood material to any new disposal facilities, recyclers, beneficial users or others, Dauman shall apply for and obtain proper authorizations from the NYSDEC and shall comply with the terms and conditions therein.

1.6 Maintenance and Repairs; Alterations.

(A) ~~Dauman shall be solely and exclusively responsible for maintenance and repair of the Facility, including the processing equipment, whether or not leased by WMNY to Dauman, and the concrete pad, during the term of this Agreement. Dauman shall keep the Facilities in good condition and shall surrender the Facility upon termination of this Agreement in at least as good condition as it was in on July 1, 1999, fair wear and tear excepted.~~

AUG. 9

(B) Dauman shall not make alterations of the Facility without the prior written consent of WMNY.

SECTION 2.0. TERM OF AGREEMENT

2.1 Term. This Agreement shall be for a term commencing on August 9, 1999 and continuing for a period of three years (the "Initial Term").

2.2 Extensions. After the expiration of the Initial Term, upon 30 days notice to WMNY, Dauman shall have the option to extend this Agreement twice, each for one year, on the same terms and conditions as this Agreement, provided that WMNY in its sole discretion, may give notification in writing, no less

than 30 days and no more than 60 days before the end of the original term of this Agreement, or any extension year, that it does not agree to an extension.

SECTION 3.0. LEASE OF EQUIPMENT

3.1 WMNY agrees to lease to Dauman at a rate incorporated in Dauman's tipping fee the following equipment: Stationary CBI Grizzly Mill (Serial # 48720170) and also a mulch coloring machine. Dauman will be responsible for the maintenance and upkeep of these machines and will allow WMNY access to inspect machinery at all times.

SECTION 4.0. EMPLOYEES

4.1 Both parties expressly agree that each party shall be solely responsible for its own employees including, without limitation, hiring, working hours and conditions discharge, payroll, benefits, severance or pension payments due or accrued, vacation time, worker's compensation, unemployment insurance, tax withholding, and any and all other personnel matters and costs, and that neither party shall be responsible for the employees of the other including, without limitations, severance, vacation, accrued leave, benefits, or pension plan benefits.

SECTION 5.0. LICENSES, INSURANCE, REGULATIONS

5.1 WMNY represents and warrants that, to its knowledge, it presently holds all material licenses, permits, and permissions of any kind or nature whatsoever required to operate the Facility, whether federal, state or local, and that all said licenses, permits, and permissions are current, valid, and are not subject to any adverse action including, without limitation, regulatory, disciplinary or legal actions, notices of violations, or other deficiency notices, or orders at the time of execution of this Agreement.

5.2 At all times after Dauman first takes possession of the Premises, Dauman shall maintain, at its own expense and fully paid:

- (a) comprehensive general liability insurance, including insurance against assumed or contractual liability, products liability, terrorist and criminal acts, kidnapping, and any other liability arising out of the ownership, operation, use, occupancy or maintenance of the Facility and all areas appurtenant thereto (including coverage for all criminal acts, violence, vandalism, mayhem, terrorist acts, civil disobedience and unrest, regardless of by whom

perpetrated), to afford protection with limits, for each occurrence,

REDACTED

- (b) all-risk casualty insurance, including theft coverage, written at replacement cost value with replacement cost endorsement, covering all of Dauman's personal property and equipment on the premises and all personal property and equipment leased or purchased hereunder;
- (c) comprehensive boiler and machinery equipment coverage;
- (d) comprehensive automobile liability coverage covering the operation of all automobiles used in connection with the performance of this Agreement

REDACTED

- (e) worker's compensation or coverage required by law, and

(f)

REDACTED

5.3 The insurers writing the insurance that Dauman is required to carry and maintain pursuant to this Section, as well as the form of such insurance, shall at all times be subject to WMNY's reasonable approval and such insurers shall be licensed to do business in the State of New York. The comprehensive general liability, all-risk casualty, and environmental impairment insurance policies evidencing such coverage shall be primary and non-contributory, shall contain a broad form endorsement naming WMNY and its employees, directors and shareholders as additional insured persons, and a provision by which the insurer agrees that such policy shall not be canceled, terminated, materially changed or allowed to lapse without at least thirty (30) days advance written notice to WMNY. None of the insurance which Dauman is required to carry and maintain pursuant to this Section shall contain any self-insured retention or deductible provisions in excess of \$5,000.00 per occurrence except to the extent approved by WMNY. If Dauman shall fail to perform any of its obligations under this Section, WMNY may perform them and Dauman shall reimburse WMNY's cost immediately upon demand. Upon WMNY's written approval, Dauman may satisfy its insurance obligations by use of blanket or umbrella policies, provided that such policies specifically name the business at

the Facility. Dauman shall provide to WMNY upon its request from time to time certificates evidencing that all such insurance is in full force and effect.

5.4 Dauman hereby agrees to defend, indemnify and hold harmless WMNY from and against all claims for damages, losses, costs, expenses and liabilities of whatever nature arising from (i) any breach or default under this Agreement by Dauman; (ii) any work done, in, to, or about the Facility by or on behalf of Dauman; (iii) any act, omission to act or negligence on the part of Dauman, its assigns, contractors, servants, employees, invitees or licensees; or (iv) any accident, injury or damage whatsoever caused to any person or to the property of any person occurring during this Agreement term in, on, or about the Facility unless resulting from any willful act or omission on the part of WMNY or anyone claiming through or under WMNY and without any negligence, willful act, or omission of the part of Dauman. ✓

SECTION 6.0. TERMINATION FOR DEFAULT

6.1 If either of the parties fails to perform its obligations under this Agreement, and does not cure such failure within 20 days after written notice by the non-breaching party stating the nature and character of the alleged failure, then the non-breaching party may, at its option, and without waiving or in any manner affecting any of its other then existing rights against the other party, terminate this Agreement. However, if Dauman shall fail to comply with applicable laws, regulations or the permits of WMNY for the Facility, which has an immediate and serious effect on safety, human health or the environment, then WMNY shall be entitled to terminate this Agreement immediately by written notice to Dauman. Failure of a non-breaching party at any time to exercise its rights under this Section shall not prevent it from exercising such rights at any future time.

6.2 Either party shall also be entitled to terminate this Agreement if the other party shall (1) file a voluntary bankruptcy petition, make an assignment for benefit of creditors or commence any other liquidation or insolvency proceeding; (2) become the subject of an involuntary bankruptcy petition, asset seizure or other creditor's proceedings and fail to cause them to be discharged within 30 days; (3) cease operations at the Facility; (4) sell or transfer substantially all of its assets; (5) merge with or into any other corporation, or (6) undergo a change of control in which a majority of board of directors are changed or a majority of its outstanding voting stock is sold or transferred. Either party planning a transaction contemplated by subsections (4), (5) or (6) may provide written notice to the other party describing the transaction in reasonable detail and requesting a written consent to such transaction. If the other party grants such consent, it shall not be entitled to terminate the Agreement based solely on the fact that such transaction is thereafter consummated in the manner described in the notice.

SECTION 7.0. SUBSEQUENT ACTS OF GOVERNMENT

7.1 If there is a material change in any law, regulation, order or permit governing the operation of the industry generally, or the Facility specifically, which materially impairs the ability of either party to continue to conduct business at the Facility, then the parties will commence consultation in order to determine what, if any, changes to this Agreement are necessary and appropriate including, without limitation, early termination of this Agreement if such change substantially decreases Dauman's ability to operate the Facility profitably. If the parties are unable to agree upon changes in this Agreement in response to such new law, regulation, order or permit within ten days after the commencement of such consultation, the parties agree to submit the matter to arbitration, and the decision of such arbitrator shall be binding on both parties and may be enforced, if necessary, by any court of approximate jurisdiction. However, this Section shall not apply to enforcement actions taken by a government agency because of a failure by either party to comply with its obligations under this Agreement.

SECTION 8.0. CONFIDENTIAL INFORMATION

8.1 Both parties agree that from time to time in the course of conducting business at the Facility they may or will become privy to certain confidential information of the business of the other party. The parties agree that each party shall remain the sole and exclusive owner of such information including, without limitation, marketing and operating methods and agreements, customer and supplier lists, tipping fees, computer software, or any other methods of operation that could be considered a trade secret. Each party agrees to hold such information in strict confidentiality and not to disclose it to any third party or to use it for any purpose other than performance of this Agreement. However, such obligations shall not apply to any such information that the receiving party shows it knew or was generally available to the public before it was received from the other party or thereafter became generally available to the public other than through disclosure the receiving party.

SECTION 9.0. CHOICE OF LAW

9.1 This validity and the interpretation and enforcement of this Agreement shall be governed by the laws of the State of New York.

SECTION 10.0. ENTIRE AGREEMENT

10.1 This Agreement and its exhibits contain the entire understanding between the parties. There are no promises, terms, conditions, understandings, or obligations between the parties other than those contained herein. This Agreement and its exhibits supersede all previous communications, representations, or agreements, whether verbal or written, between the parties. No change or modification of any kind whatsoever to the Agreement and its exhibits shall be binding against either party unless such modification or change is in writing and signed by both parties.

SECTION 11.0. NO JOINT VENTURE

11.1 It is expressly understood and agreed that no joint venture, agency, employment, partnership or franchise in any way whatsoever is created by or between the parties. Neither party shall be responsible for any obligations or expenses whatsoever of the other, except as expressly agreed in this Agreement.

SECTION 12.0. FORCE MAJEURE

12.1 The parties to this Agreement shall be relieved of their obligations hereunder to the extent that performance is delayed or prevented by any cause reasonably beyond its control including, without limitation, acts of God or public enemies, war, civil disorder, fires, flood, explosion, labor disputes or strikes, or any delay or deficiency caused by electrical, telephone or other utility providers.

SECTION 13.0. SEVERABILITY

13.1 Any provision of this Agreement which may be determined by a court or other competent governmental authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions thereof, unless said prohibition or unenforceability materially alters the overall rights or obligations of either party.

SECTION 14.0. BINDING EFFECT

14.1 This Agreement shall be binding upon any and all successors in interest, holders, permitted assigns, purchasers, or transferees in

any way or form whatsoever of the parties hereto including, without limitation, parent/subsidiary corporations, hereafter acquired corporations or business entities of any kind whatsoever, associates, affiliates, or any businesses directly or indirectly related to the parties in the New York City area.

SECTION 15.0. NOTICES

15.1 Unless otherwise stated, notice given or required under this Agreement must be in writing and shall be deemed delivered (i) upon hand delivery to the President or General Manager of either Party, or (ii) by deposit of certified United States mail, to:

If to WMNY:	Mr. Charles Gusmano Division Manager Waste Management of New York, LLC 123 Varick Avenue Brooklyn, New York 11237
With a copy to:	James J. Periconi, Esq. Windels, Marx, Davies & Ives 156 West 56 th Street New York, New York 10019
If to Dauman:	Mr. David M. D'Amiano, President Dauman Recycling Company Incorporated 33-37 Salt Meadow road Carteret, New Jersey 07008
With a copy to:	John Spoganetz, Esq. 1 Holmes Street P.O. Box 368 Carteret, New Jersey 07008

SECTION 16.0. COUNTERPARTS

16.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

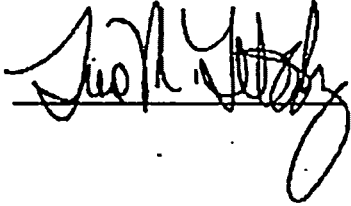
SECTION 17.0.

17.1 Neither party shall be entitled to assign or transfer this Agreement or any of its rights or obligations hereunder to any third party without the written consent of the other party and any purported assignment or transfer shall be null and void.

SECTION 18.0. BINDING ARBITRATION

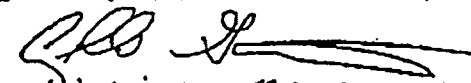
18.1 The parties agree that, if they are not able to settle any dispute which might arise under the terms and conditions of this Agreement, they will submit the matter to binding arbitration according to the rules and conditions of the American Arbitration Association. Each party shall propose one arbitrator. Thereafter, if the parties are unable to agree on either of these arbitrators, the two arbitrators shall choose a third arbitrator and such arbitrator shall hear the dispute. The decision of this arbitrator shall be final and binding on both parties and may be enforced, if necessary, by application to a court of appropriate jurisdiction.

WITNESS

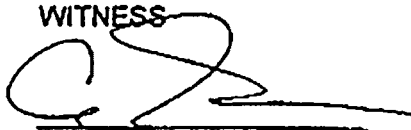


WASTE MANAGEMENT OF NEW YORK, LLC

By

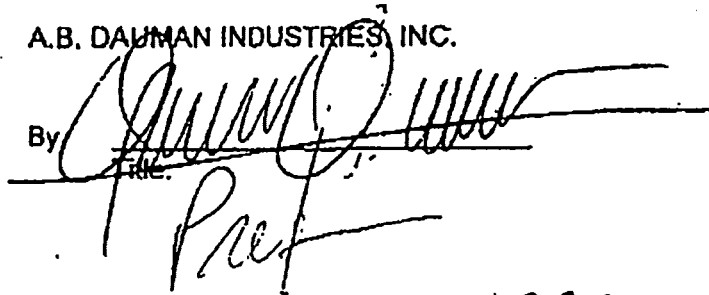

Title: Division Manager 7/30/9

WITNESS



A.B. DAUMAN INDUSTRIES INC.

By


Title: Pres

07-27-1999

Exhibit AMINIMUM QUALITY STANDARDS

WMNY and Dauman acknowledge that the wood material delivered to the Facility is solid waste that is expected to have suffered deterioration and damage. Thus, wood material will be accepted unless it is seriously contaminated, likely to damage the processing equipment, or likely to cause a failure to comply with applicable laws, regulations or permit conditions.

The following kinds of wood material will not be accepted:

1. Wood material mixed with significant amounts of paper or other waste material.
2. Wood material containing or coated with creosote, pentachlorophenol, arsenic salts or other contaminants.
3. Wood material with extensive decay or termite damage.
4. Wood material containing metal or with metal attachments that cannot readily be removed.

Exhibit B

PERMITS

Nonputrescible Solid Waste Transfer Station Permit dated
October 20, 1998 for Transfer Station Number 144
issued to WMNY by the NYCDOS

Permit 2-6161-00113/00001-0 dated 10 March 1997 for a solid waste
transfer station and demolition debris processing facility issued
by the NYSDEC to WM of New York, Inc. and a letter dated
March 11, 1999 from the NYSDEC transferring the permit to WMNY